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*The Voice of Rural Telecommunications*~~EX PARTE OR LATE FILED~~
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January 26, 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Mr. William F. Caton, Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: Ex Parte Communications
CC Docket No. 90-314 and
PP Docket No. 93-2534

Dear Mr. Caton:

In accordance with the Commission's Rules regarding ex parte communications, I am writing to notify the Commission that I met with Mssrs. Thomas Stanley, David Siddall, and Lawrence Petak of the Office of Engineering and Technology on January 25, 1994. A separate meeting was held with Kathleen Levitz, Myron Peck, and Kelly Cameron of the Common Carrier Bureau. Also in attendance at the meetings were:

Jimmy R. White, Manager
XIT Rural Telephone Cooperative, Inc.
Dalhart, Texas

Steve Watkins
Senior Industry Specialist
National Telephone Cooperative Association

The discussions related to outstanding PCS and auction issues with respect to small, rural telephone companies. A copy of the discussion paper used at the meetings is attached.

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Should you have any questions regarding this matter, please contact me at 298-2326.

Sincerely yours,

A handwritten signature in black ink, appearing to read "David Cosson", written in a cursive style.

David Cosson
Vice-President
Legal & Industry

DC:rhb

cc: Thomas Stanley
David Siddall
Lawrence Petak
Kathleen Levitz
Myron Peck
Kelly Cameron

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STATE TELECOMMUNICATIONS MODERNIZATION PLANS

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

I STATUTE

Section 305 of the Rural Electrification Act, 9 U.S.C. 935(d)(3), as adopted by the Rural Electrification Loan Restructuring Act of 1993, 107 Stat. 1356, P.L. 103-129, provides:

A. A condition for receipt of a loan is that the Administrator has approved a telecommunications modernization plan for the state of the applicant. Where the plan was developed by borrowers, the applicant must be a participant in the plan. Loans may be made in a state without an approved plan until one year after final regulations are adopted.

A. If a state develops a telecommunications modernization plan meeting the requirements of the act not later than one year after final regulations are promulgated by REA, the Administrator must approve the plan. If the state does not develop such a plan, the administrator must approve any plan meeting the requirements developed by a majority of borrowers in the state.

B. The plan must meet the following objectives at a minimum:

1. Elimination of party line service
 2. Provide for the availability of telecom. services for improved business, educational and medical services.
 3. Encourage and improve computer networks and information highways for subscribers in rural areas.
 4. Subscribers in rural areas must be able to receive through telephone lines:
 - a. Conference calling
 - b. Video images
 - c. Data at a rate of at least 1 MB/s
 5. The proper routing of information to subscribers.
 6. Deployment schedules must be uniform to ensure that advanced services are deployed at the same time in rural and nonrural areas.
 7. Additional service standards required by the Administrator
- C. Approved plans may not be subsequently disapproved.

II INTERIM RULES QUESTIONS

A. Definitions

The definitions of Section 1751.100 are generally consistent with industry usage. One question is whether PCS should be defined to include wireline service, given the apparent focus on the wireless aspect of the service. Other definitions may be required, including:

1. Telecommunications provider--does this include all providers, whether or not telephone companies or common carriers? Compare 1751.102(e) with 1751.106(b)(vii).
2. Public switched network. See 1751.102(b)

B. Procedures

1. 1751.102(a)

Is this interim rule a final rule within the meaning of the statute so that the one year runs from December 20, 1993. If so, should the last day for submission be stated as December 19, 1994 to avoid confusion?

Suggest adding a statement that: "Because plans found by REA not to be in compliance with the Act may not be resubmitted after December 19, 1994, states are encouraged to submit plans on or before October 1, 1994 in order that any amendments required by REA can be adopted.

A state plan developed by statute would be submitted by the Governor, rather than the legislature.

2. 1751.102(b) What does part of the public switched network mean--all IXCs, LECs, cellular, interconnected CAPs, etc.?

3. 1751.103(a) Insert "approved" before STMP

4. 1751.105(b) Does the right to amend include states?

C. STMP Requirements and Objectives

1. 1751.106(a) How will the simultaneous development requirement be interpreted? Does it apply to all LECs, or providers so that REA borrowers would have to deploy any improvement simultaneous with BOC deployments in urban areas. What if there is insufficient market so that the Administrator cannot certify financial feasibility of the loan?

2. 1751.106(b)(1)(i) State approval of continuing multiparty service will be unavailable in states without jurisdiction over the borrower, e.g. North Carolina, Montana.

3. 1751.106(b)(1)(iii) Does "capable of performing" allow for switches that are not equipped, i.e., can perform ISDN and SS7 switching when so equipped?

4. 1751.106(b)(1)(iv) Unloaded loops may be infeasible in very low density areas; needs to be objective, or add: "where feasible".

5. 1751.106(b)(1)(v) Telcos can't provide E911 service where the political subdivisions don't organize and order the service. This could be a requirement of a state legislature developed plan, but probably not a PUC or borrower plan. Also, some locations behind customer provided PBXs cannot yet be integrated.

Custom calling should be addressed in separate section from E911. SS7 based custom calling should not be required in five year requirements.

6. 1751.106(b)(1)(vii) Since only carriers file tariffs, is this section intended to include other providers, e.g. CATV?

7. 1751.106(c)(1)(i) and (ii) How do these subsections interrelate and are they appropriate when the 150Mb/s design is deployed?

National Telephone Cooperative Association

PCS Issues

January 1994

I Competitive Bidding PP Doc. 92-253

A. Definition of "Rural Telephone Company"

1. Study area with no place over 10,000 population ,
OR
2. Less than 50,000 access lines

B. "Rural Telco" designated applicable to any license area which includes some portion of telephone service area.

C. Set aside Blocs C & D for designated entities

D. "Rural Telcos" with attributable interests should be accorded preference in Block D accorded other rural telcos

E. MTAs should be auctioned first.

F. Payment options should include royalties capped at bid.

II Reconsideration of PCS License Rules Gen Doc. 90-314

A. Partitioning of MTAs and BSAs should be authorized

B. Attributable interest in cellular carrier restrictions should be relaxed in rural areas, e.g., non-control, don't aggregate consortium